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PRIVATE COLONIZATION OF THE LAND

Colonization of the land means land settlement by organized groups, but the organization may be of the most diverse kinds. And sometimes the term colonization is loosely used to mean occupation of land by individuals who come to a region new for them, even if they come one by one. We in our era and in the United States think of colonization as the settlement of hitherto unoccupied land; but in the present and also in past history colonization frequently means the occupation of old lands by new groups of settlers. Examples are the Greek colonies in ancient times and the German colonists in Prussian Poland, who were encouraged to settle there in order to change the character of the population and the attitude of the dwellers in that region toward Prussia and the German Empire. As employed in the present paper, colonization means primarily land settlement in new and only partially occupied regions, such as the cut-over lands in the northern parts of Michigan, Wisconsin, and Minnesota, and land settlement by groups more or less closely organized under some kind of leadership, usually that of owners of the land. If the owners are private persons seeking a profit, it is in the strict sense of the term private colonization; if the land is owned publicly and the settlement takes place under public auspices to promote the public welfare, it is public colonization. Australia and New Zealand afford the chief examples in modern times of public colonization, but California, under the leadership of Professor Elwood Mead, is beginning an experiment in public colonization which is attracting widespread attention and may prove epoch making in the history of the United States.

The settlement of the public lands in the United States has been of a simple kind. Lands have been surveyed and given to settlers as homesteads; and since 1862 the normal area has been 160 acres, other farm units being regarded as departures from this standard for which some good reason must be given. The motive of private profit on the part of the government has been absent and the public purpose has been to make farm-homes for the landless. In addition to the donation of land to actual settlers, much land has been given to the states for various purposes, education being a noteworthy one; and vast empires have been allotted to companies to promote the construction of railways.

Colonization would suggest some theory of colonization, some

reasoned purposes to be attained by appropriate measures. There have been various theories of colonization, one of the best known being the Wakefield theory, the aim of which was so to regulate the price of land in a new and unoccupied country that the land should be gradually brought into use, the proceeds of the sales to be employed in promoting immigration. The immigrants would then work for wages until they should have saved enough to buy new land. The "sufficient" price advocated was one just high enough to afford a labor supply to the older settlers, but not high enough to keep the capable man from becoming in time an independent farmer with his own freehold. A suitable combination of land, labor, and capital was the aim of the Wakefield theory of colonization.

But in the United States we have never had a generally accepted theory of colonization. We have sold and given away land to individuals and corporations, with the thought that each one in promoting his own interest in his own way would develop the country rapidly and build up spontaneously a sound social order. So far as we have had an economic theory, it has been that those who live on the land and cultivate it, taming the wild land and making farms, give a social return for what they receive; and very generally the pioneer farmer does render a large return for the opportunity to "make a farm." But what we are beginning to see is that wisely planned settlement might have given far better results; and now we are thinking of planning the development of rural life, just as we are planning the development of cities. Cultivated forests, we are told, yield two to four times as much timber per acre per year as land on which unguided Nature has her sway. Doubtless similar improvements in country and city may be anticipated from careful planning and wise forethought. "Nature assisted" is the recognized need of the hour.

However far we may be inclined to go in favoring public ownership of land and public colonization, we must acknowledge that for a very long time to come we must rely chiefly on private initiative, private enterprise, and the stimulus of a reasonable private profit for the settlement of the land; and public colonization, for the time being at any rate, must be planned largely for purposes of demonstration. And when we come to think of it, it is just as logical to have demonstration land-platting and development fostered by government as it is to have experiment stations conducted by the nation and the states. And the writer is not

prepared to say that at the present juncture it is not equally important.

When the wise man begins a course of action, he has in mind certain ends which he wishes to reach. Similarly in our public action we should have in view the ends desired. We are seeking a land policy. But what do we mean by land policy? The following is offered as a tentative definition, suitable for present purposes: *A land policy is a more or less consciously developed program of social control with reference to the natural resources of a country and the human relations arising out of their use and ownership.* It embraces regulations, actual or contemplated, for the use of minerals, and water power, for ownership both public and private, for transfers and leases, and all relations among men arising from the economic and social aspects of land. This control may be very loose and but slightly developed, or it may be very intensive. In the latter case the motive of social welfare is usually greatly stressed.

Private colonization of the land is a part of the land policy of all modern nations. Private colonization in the sense of associated effort is required to an ever increasing degree for the successful settlement of the land. Coöperation in its widest sense is the key to the highest success in modern economic life. Men engaged in manufactures and commerce have earlier come to see the advantages of acting together than have men engaged in farming, and that for two reasons. The first is that the character of agriculture as an occupation is such as to bring about a greater isolation from one's fellows. This is due, among other things, to the vast number of independent farm units; and this vast number of independent farm units is a necessary result of the fact that, as a rule, farming is a small-scale industry. The second reason is to be found in the more rapid evolution of manufactures and commerce, so that they have at any one period of time reached a higher stage of evolution than agriculture. Yet it has long been recognized by the thoughtful that in farming combination is a prerequisite for success. It has been perceived with reference to marketing particularly, but also it is seen that men must act together more or less formally in improving breeds of stock, in the production of fruit of high grade, in irrigation of the arid region as well as in many other phases of rural life. Now it is becoming equally clear that coöperation, associated effort, is re-

quired in laying the foundations of rural life in the purchase of land and in the development of home-farms out of the land.

Private colonization, if successful, must accomplish three purposes: first, it must afford a reasonable profit to those who sell the land and undertake to finance the colonization scheme; second, it must give the settler and his family an opportunity to work on the land, to gain a livelihood while working, to make a farm and acquire complete ownership of it in a reasonable time; and in the third place, each colony must advance the interests of society. We have then two private interests, that of the seller and that of the buyer of land, to be brought into harmony with the public interest.

In the early days in this country we had free land and individualism in land settlement. While the free and often very fertile land was a decided aid to the settler, he had his troubles, which we are too inclined to forget in our comparison of the past with the present. The individualism in land settlement meant isolation and very often poor markets. Prairie land could be broken and tamed and made into a farm with far less cost than is required to make a farm of cut-over lands; but prices received by the dairy farmer in northern Wisconsin for his products would have seemed like dreams in fairyland to the Iowa or Illinois farmer in pioneer days. Crops frequently did not pay for the cost of gathering and marketing in the days of free land, and within the memory of men living Indian corn has in our West been used as fuel. And the struggle with bad sanitary conditions in the days of free land is a story that has frequently been told. But on account of our free and fertile land, agricultural production was high as compared with the old world conditions, in proportion to expenditures of labor and capital, while competition generalized high wages, interest, and profits; in other words, our margin of production was high. Now land is high in price, but has the margin of production fallen? We have no evidence that such is the case.

What makes the margin of production at the present time? It is found in organized entrepreneurial efficiency and in capital, and the force of competition spreads it over the entire economic field, so that the margin is found no more in the cultivation of land than in the manufacture of locomotives. As there is reason to believe that the margin of production is higher than ever before, this higher margin must be found in the opportunities to cultivate

and buy land, as in other parts of the economic field. To participate in these opportunities, the settler must have the advantages of organized efficiency and of an adequate supply of capital. Modern colonization must afford these advantages to the settler, or it is unsound; and likewise the settlement must be of such a kind as to improve social condition, or it does not measure up to the social standards of the twentieth century.

We have one general problem of modern democracy, and that is to enable the average man and, indeed, the man below the average to avail himself of the greater brain power of the relatively few superior men in the community. The modern system of colonization must meet this test to be economically sound and socially commendable. The ordinary settler is not a man of great capacity; he is honest, generally industrious, willing to work hard and long to have a farm all his own, and frequently with the thought of handing it down to his children as a main motive; but he is not gifted in the selection of land or of capital-equipment, *e. g.*, cattle, seed, and tools. Especially is he apt not to stand high in managerial capacity. If he were a superior man in his economic gifts and economic training he would not be a settler in a new country. We must, therefore, have as a condition of successful colonization wise economic leadership supplied by private initiative or by public agency or by a combination of both.

Now in the next place, the land selected for the settlers must be as good as is generally available; otherwise the land is sub-marginal and, at current selling prices of commodities, its cultivation will not be profitable. This implies both capacity in the selection of land and honesty in dealing with the settler.

It is possible to find many examples of successful colonization, fulfilling in a measurable degree all the reasonable tests which have been mentioned. The present writer believes it is both scientifically and practically worth while to describe briefly the methods followed in three fairly successful colonies which he visited in the summer of 1917 and two of which he has revisited in the present year. These are the colonies at Conrath and "Rusk Farm" in Rusk County and a large new colony which is being started in southern Sawyer County, all in Wisconsin. It is scarcely necessary to say that nothing is farther from the intentions of the writer than to call especial attention to his own state or to advance the interests of particular companies. Successful colonization can be found elsewhere in Wisconsin and in

many other states, and it is hoped that the investigations which have been made in Wisconsin will be followed by similar investigations elsewhere. This is to be looked upon as a preliminary study.

Great care has been taken in the selection of the lands for the colonies mentioned. The leader in these colonies has tramped over the land again and again and has made himself familiar with every considerable piece of it. He is fond of shooting and hunting, but it has been noticed that he shoots and hunts over land which may be selected for the site of a colony, and there are those who say that the land he tramps over interests him far more than the game he seeks. Next, notice that the state of Wisconsin, in conjunction with the United States, conducts soil surveys and these are fully utilized in the selection of the land. Good land is an indispensable condition of success.

But with the land goes *service*. Service is the watchword of business in these days, and it is just beginning to be recognized that service in conspicuous degree must be the watchword of conspicuous success in land settlement. However, a certain care must be exercised in the selection of settlers, that they may be capable of availing themselves of opportunities offered. An attempt is made to secure as good a class of settlers as possible, and to arrange them in such relationships to each other that the highest attainable degree of companionship and of spontaneous coöperation may be secured. In general, it may be said that an effort is made to group the settlers by nationalities, but to have a common social center where men of the different nationalities may meet and be gradually fused together in the great American "melting pot." The social center idea is emphasized, and that increasingly.

The distinctive feature is that, while land is sold without improvements to those who desire to purchase it, generally "made-to-order" farms are sold. Even when "land only, without improvements," is sold the company offers its service in the purchase of lumber, building supplies, and livestock, and furnishes them to the settler at actual costs, and it gives credit for these purchases up to the amount of the first payment, adding it on to the contract price of the land. In other words, if a man has \$500 for his first payment, the company will invest an equal amount in the farm equipment. This is what is called Plan No. 1. Plans No. 2 and No. 3 are described as follows in the literature of the company:

PLAN No. 2.

40 ACRES OF LAND WITH HOUSE AND LIVESTOCK.

House 14 x 20 feet, 1 story.

1 cow, 1 small pig, 4 chickens.

1 bushel mixed clover and timothy seed.

Complete assortment of vegetable and flower seeds.

Cash payment, \$250.

Total cost, \$1,100 to \$1,350.

These plans cover only 40 acres. If you wish larger acreage add to these plans what land you require, at \$750 to \$1,000 per 40-acre unit.

PLAN No. 3.

40 ACRES OF LAND WITH HOUSE, BARN, LIVESTOCK, AND TOOLS.

House 14 x 20 feet, 1½ story.

Barn 12 x 14 feet.

1 cow, 4 chickens, 2 small pigs.

Complete assortment of vegetable and flower seeds.

1 bushel mixed clover and timothy seed.

1 garden cultivator, 1 cross-cut saw, 1 axe, 1 brush scythe,

1 mattock.

Cash payment, \$400.

Total cost, \$1,250 to \$1,500.

These plans cover only 40 acres.- If you wish larger acreage add to these plans what land you require, at \$750 to \$1,000 per 40-acre unit.

In addition, the company includes in its plans demonstration farms in charge of good farmers. This plan was seen in operation at Rusk Farm. The farmer and his family were constantly called on by the colonists for services of the most diverse kind. The demonstration farm, one might almost say, was both the heart and brains of the settlement. The farm not only afforded demonstration of methods, but it furnished work to the settlers in the early days, so that they would be less frequently obliged to leave home to earn wages. The president of the company visits this settlement from time to time and lives as one of the family; and, still a young man, is familiarly called by his first name.

And further service is rendered in that the president and guiding spirit of the company, makes it his business to see that the settlers enjoy all the public advantages to which they are entitled: *e.g.*, good roads, schools, conveyances to take the children to school, telephones, telegraphs, and the services of county agricultural agents. These services do not always come, unless some capable person is vigilant in behalf of the settler. Elsewhere in a settlement in Wisconsin, during the same tour of investigation, one schoolhouse was found so inadequate to accommodate the

pupils that many of them had to remain outside the building on the grounds and in the street while others recited their lessons; and a few miles farther on in the same settlement the children were not going to school at all, because the schoolhouse of the district had burned down and had not been replaced. All this is something very exceptional in Wisconsin, and it is significant that probably the public schools in northern Wisconsin among the settlers are better than in the old and rich counties of southern Wisconsin.

In the plans of the latest settlement in Sawyer County a new city is contemplated; and for the city and the surrounding country special attention is given to aesthetic consideration. The plans have been carefully discussed with a view to the attainment of all that is feasible in the way of beauty. This means, for example, that the old, stupid, gridiron plan of one set of parallel streets, crossed by another set of parallel streets at right angles, has been abandoned. Reservations of beautiful points have been planned, while vistas and streets terminating in parks and interesting objects have been provided. Especial credit is to be given to the promoters for reserving long stretches of land on both banks of the beautiful Chippewa River.

Service is the key to success in private colonization, and this service may be of such a character as to do more than counterbalance the free land of earlier days. If a choice has to be made between, say, three or four dollars additional price for the land and some marked improvement in service, the service should be preferred. Let us take the case of a farm of 80 acres, a suitable size for a dairy farm in northern Wisconsin. An additional charge of \$5 an acre means \$400, or an interest charge of \$24 a year, and any marked degree of service would count for far more than that. One service which should be added is collective insurance, so that a deed could be given to a man in case of disability, or to his family in case of death.

The wise plan for private colonization is to add enough to the first cost of the land to afford a reasonable profit; and then beyond that to provide at cost all kinds of service, *e. g.*, the purchase of livestock. This tends to produce a feeling of mutual confidence and goodwill.

Now the settler is "making a farm," to use the expression frequently heard; and the return for his toil is found largely in the farm; for even in the case of "made-to-order" farms, as they

are called with some exaggeration, the major part of the work of making the farm still remains to be done by the settler. Consequently he may be meeting with success, although for some time he is becoming year by year more deeply involved in debt. As a matter of fact, the settlers in the colonies mentioned are encouraged to borrow money of the company in order to extend their operations, *e. g.*, by buying more cows. While the money debt increases in successful operation, the settler's equity increases even more rapidly.

Another service often rendered settlers is to furnish horse-power when needed in early days. The horse problem, curiously enough, is found in old England in the case of allotments and small holdings just as it is in northern Wisconsin. Horses are expensive to keep, and in many cases they are used but a comparatively small part of the time, especially in the early stages of a dairy farm on cut-over lands, so that, as the saying is, "they eat their heads off." It will be noticed that with the "made-to-order farms" no horse is included in the equipment.

Cheese factories are organized in these colonies, and this provision makes the work in the household lighter as compared with the toil of the old-time pioneer farmer's household in the days of abundant free land in Michigan, Wisconsin, and Minnesota.

Now let no one be deceived about the conditions of the settler in the colonies visited, even the best of them. They come with very little capital, sometimes almost with no capital, and with no unusual skill or capacity. The struggle is a hard one, and great self-denial is a forced condition of success. The homes are humble, but the environment is better than the crowded sections of cities; and food is abundant. Shelter is tolerable, clothing poor, food generally of fair quality, even in early days. Usually progress becomes marked after a year or two, and, when health is good, the settlers are fairly well contented and frequently even rejoice in their advancement. The earnings are not large, but expenditures are small; and what is afforded is opportunity to acquire a farm. All have a place where they can labor; and the children can be helpful in ways which, far from injuring them as factory work too often does, develop strength of body and character. If we have opportunity costs, may we not have opportunity values too?

Settlers' Progress Record Cards are kept. The blanks are as follows:

PRESENT VALUE OF PROPERTY

LAND

Acres	Classification	Acres Fenced	Acres Value	Total
	Cultivated			
	Cultivated (stumps in)			
	Meadow (wild hay)			
	Unimproved			

Total Value of Land - - - - \$ _____

BUILDINGS

	Size	Material	Insured for	Total
House				
Barn				
Silo				

Total Value of Buildings - - \$ _____

REMARKS:

LIVE STOCK

No.		Value Each	Total
	Dairy Cows		
	Dairy Heifers		
	Dairy Calves		
	Beef Cattle		
	Horses		
	Colts		
	Hogs		
	Sheep		

Total Value of Livestock - - \$ _____

MACHINERY

Total Value of Machinery - - \$ _____

ASSETS

Value of Land \$ _____
 Value of Buildings \$ _____
 Value of Livestock \$ _____
 Value of Machinery \$ _____
 Value of Other Property \$ _____
 Total \$ _____

LIABILITIES

Due on Land \$ _____
 Due on Livestock \$ _____
 Due on Machinery \$ _____
 Other Debts \$ _____
 Total \$ _____

PRESENT NET WORTH \$ _____

DATE _____ 19____ Signed _____

The following data are believed to be fairly typical for the best settlements in Wisconsin, and to be not superior in results to the actual achievements in some other parts of the country, and not one whit better than the potentialities in very many sections of the United States where good colonization with suitable public control can give hundreds of thousands of settlers better opportunities than those generally enjoyed by the pioneer farmers even in the Mississippi Valley.

COLLATED DATA FROM REPORTS OF SEVENTY SETTLERS IN NORTHERN
WISCONSIN

Average age of settler when land was purchased	40
Average number of children in a family	3
Average number of acres in a farm	60.5
Average price paid per acre	\$23.80
Average percentage of cash paid to total consideration	22.2
Average net worth at time of purchase	\$705.92
Average annual increase in net worth	556.20
(237 years of aggregate experience)	
Mode of annual increase in net worth	492.85
Average annual increase in value of land	88.05
Mode of annual increase in value of land	97.36
Average annual increase in net worth of 57 settlers with previous farming experience.....	603.00
Average annual increase in net worth of 13 settlers with no previous farming experience	591.40
Average annual increase in net worth of 40 Polish settlers....	599.20
" " " " " " " " 14 German "	533.20
" " " " " " " " 7 American "	718.70
" " " " " " " " 4 Bohemian "	524.50
Average amount of mortgage in 49 cases where mortgage is reported	1402.42
Average length of time from settlement to taking out mortgage (years)	1.16
Average number of horses	1.4
(in 28 cases, mortgage taken out immediately)	
(16 settlers horseless)	
Average number of days worked out per year	90.97
Percentage of acreage cleared	11.6
" " " cultivated with stumps in	18.4
" " " improved	30
" " " unimproved	70

The statistics go to the time of making the mortgage loan. The significance is this: The settlers buy on contract, and when their equity becomes sufficient they are given a title and in turn given

back a mortgage which may run twenty years at 6 per cent, interest and principal being paid off on the amortization plan. We have then information on the rapidity of economic progress in the case of these farmers. It took them on the average less than two years to reach a point where they had marketable mortgages, and they have twenty years more in which to clear their land of debt. It will be observed, however, that in 28 cases mortgages were taken out immediately. In the case of 24 settlers the period of time between buying the land on contract and taking out a mortgage was 3.64 years. This would give about 25 years as the length of time required for the settler, beginning with five hundred to a thousand dollars, to acquire a good small dairy farm free from debt. Before the federal land banks were organized there was an arrangement in Wisconsin for organizing farm mortgage associations. This mortgage association took over the loans at first and thus helped to finance the colonization companies. The Wisconsin farm mortgage associations have, however, not played a large rôle, because they have not been sufficiently profitable to induce men to furnish capital, unless they had something else in view, namely, the assistance they could render in plans for the settlement of land which they owned, or unless they had in view the encouragement of land settlement as a beneficent purpose. In the case of the colonization schemes which are described in this paper, the Wisconsin Farm Loan Association, Number 1, was organized as an aid in carrying out the plans of colonization.

At the present time the work of the Federal Land Bank of this district, which is located at St. Paul, is making itself felt, and this is a distinct service and a great help in furnishing the funds needed for land settlement. As the farm mortgage association, however, has been organized by the owners of the land, it could take over loans and give mortgages under somewhat more favorable conditions to the settler than could the Federal Land Bank. Very generally, however, both sellers and purchasers of land in northern Wisconsin avail themselves of the credit afforded by the Federal Land Bank as soon as possible, and the services of this bank are proving a great help in the development of the country. Land values are increasing, particularly in the case of lands where the settlers have made a real beginning in "pushing back the brush," clearing the land of stumps and otherwise improving it. The farm with even a few acres cleared and two or three cows on it, with a small house and barn, shows a very decided

increment in value over the raw land as originally purchased. The result is that very frequently in a remarkably short time, sometimes even in three or four years, the land has so increased in value that the 50 per cent which a man can borrow on the land itself and the 20 per cent which he can borrow on the buildings will be great enough so that he can borrow from the Federal Land Bank as much as the amount of the original mortgage or even more. The burden of carrying the loan is then transferred to the Federal Land Bank, and the landowner has thirty-five years in which to pay for the land, the interest being $5\frac{1}{2}$ per cent to which 1 per cent is added for amortization. This is not a very heavy burden, and the settler does not have to dread the day when the mortgage will expire and he must seek renewal with all its uncertainties and possibilities of commissions. If the amount borrowed from the Federal Land Bank exceeds the indebtedness on the land, the settler has an excess which he can use for the purchase of stock or for the improvement of the land. At the present time the Federal Land Bank is proving a great help in the settlement of the land, whether it is individual settlement or settlement on the colonization plan.

One of the subjects which require especially exhaustive consideration in all plans for colonization is the credit-requirements of the settler. Probably as many colonies come to grief on account of a miscalculation of the length of time required by the settler to make his farm pay for itself as on any other account. Many a company becomes bankrupt because it has expected payments too soon; and the company in distress forecloses on the settler—a terrible tragedy in too many cases, meaning bitter disappointment and broken lives. Probably the customary plans of land settlements in the United States do not give, on the average, half the time required. It is noteworthy that in the changes in the land purchase acts in Ireland each one of the great acts lengthened the time for payment of the purchased farm until at last sixty-eight years was given; which means, of course, that it will usually take two generations to get a debt-free freehold. But earnings are higher in the United States, and thirty-five years is a sufficiently long term in northern Wisconsin, perhaps too long if present prices continue.

Successful colonization, according to the plans which have been described, requires a good deal of capital. The general overhead expenses are too large if the number of acres in the colony is

small. Probably to render the desirable amount of service under conditions like those in northern Wisconsin a colony should embrace not less than 20,000 acres, and a project of 50,000 acres is in a still better position to render service.

Over thirty foreclosures of contracts were advertised recently by one company in a single issue of the *Radisson* (Sawyer County), Wisconsin, *Courier*. It is said that the company itself was embarrassed. But in the three projects which the writer has studied, and which he has described in the present article, a foreclosure is rare indeed, and broadly speaking it may perhaps be said that it does not often occur in the case of the honest settler who is cultivating his farm and really trying to do well. In Marathon County, Wisconsin, a very large dealer whose experience covers a period exceeding twenty years writes, "I have never known a worthy settler to be crowded for his payments."

If guided honestly and if wisely planned and directed, private colonization is generally successful for the settler; and similar conditions spell success for public colonization, as in New Zealand, where the settlers generally meet with success, failures being the exceptions, as is shown in the official reports.

DATA SHOWING THE SUCCESS OF LAND SETTLEMENT BY THE NEW ZEALAND STATE SYSTEM.¹

Grade of report	Progress in past	Present position	Prospects
	(Per cent)	(Per cent)	(Per cent)
Excellent . . .	3.8	2.2	15.6
Good	64.0	65.0	60.8
Fair	16.4	10.9	9.7
Satisfactory . .	10.0	5.0	—
Prosperous . . .	—	10.0	—
Sound	—	1.0	—
Success assured	—	—	7.3
New	2.3	2.3	2.3
No reports . .	2.2	3.0	2.9
Questionable or liable to failure	1.3	.6	1.4
Total . . .	100.0	100.0	100.0

¹Table taken from Dr. Theodore Macklins' manuscript on New Zealand, a piece of work begun in the graduate class in land problems conducted by the present writer in coöperation with his colleagues, Professors Taylor and Hibbard. These data refer to a total of 1,490,000 acres of land that were purchased by the government of New Zealand during a period of years from 1894 to March 31, 1914, or prior to the war. Of this area the original ownership was comprised of 264 holdings. The subdivided ownership or at least settlement occupation was 5,529 holdings.

But now let us look at the reverse side of the shield and consider the limitations of private colonization and the consequent necessity of public action to supplement private activity.

John Stuart Mill's discussion of the "limits of the province of government" in his *Political Economy* is well known. He begins the discussion with the statement of the reasons for the "non-interference-principle." He finds, however, important exceptions to the rules of laissez faire when he comes to consider the buyer of goods and the consumer. He uses these words:

Is the buyer always qualified to judge of the commodity? If not, the presumption in favour of the competition of the market does not apply to the case; and if the commodity be one in the quality of which society has much at stake, the balance of advantages may be in favour of some mode and degree of intervention by the authorized representatives of the collective interest of the state.

Now if there is any one case in which the purchaser alone and unaided frequently is unable to pass judgment, it is in the case of the buyer of land. Very often, indeed, the purchaser is well qualified and neither asks nor requires any assistance in buying land. This would hold particularly with respect to old settled sections. But the cases where the purchaser cannot safely follow his own judgment are so numerous as to have great social significance. If land is not wisely selected, there is waste of labor power and of capital, and a serious public interest is involved. California affords conspicuous illustration of the difficulties of wise selection of land, and especially so in the case of land used for raising fruit. One piece of land may be highly productive and planted with citrus fruits, and another piece a few rods off, looking much like the first land, may be far inferior. Pieces of swamp lands in Wisconsin which superficially look alike differ widely in regard to present fertility and lasting qualities.

There is a public recognition of the needs of assistance in the selection and cultivation of lands in the soil surveys undertaken at the expense of the federal government and of the states, but these do not give the settler all the help he requires. Probably in northern Wisconsin not one settler in three knows how to make use of the soil surveys of Wisconsin, even if he is aware of their existence.

In Wisconsin we have gone somewhat further in our attempts to protect the purchaser of land through the activity of our State Department of Agriculture. We have connected with this depart-

ment a director of immigration of a new type, Mr. B. J. Packer, and it is a pleasure to mention his name. His activities are far different and better than those of the old kind of state immigration agent. He thinks, first of all, of the settler and his well-being and endeavors to protect him against mistakes in buying land and then to help him after he has bought the land. Space is not adequate to do more now and here than to indicate briefly his methods, for it would take an article to describe fully Mr. Packer's work.

The principal doorway into Wisconsin is through Chicago, and Mr. Packer advertises in the Chicago papers that on certain days he will meet those who wish to buy Wisconsin lands at the United States Immigration Station. He talks with each would-be settler in order to ascertain his intentions and his fitness for going on the land. The writer has sat next to Mr. Packer's desk and listened to his interviews with his "prospects." One of the inquiries is this: "Does your wife want to go on a farm?" If the wife does not wish to go, he warns the man that he is not likely to be happy and successful, and tells him that he had better go back and talk it over with his wife. He discourages those who for any reason are not likely to be successful, and then attempts to direct the settler to desirable sections and help him make a wise selection of land. Naturally he does not mention any real estate agents, but gives the settler the following letter:

TO WHOM IT MAY BE OF INTEREST:

The bearer, _____, is in touch with this department and is looking for a farm home in Wisconsin. It is our purpose to keep in communication with him to learn of his progress in farm development and to ascertain if he is satisfied with the treatment received by any person or firm selling him lands. Any complaint will be promptly investigated and any courtesies extended him by those with whom he may have business relations will be appreciated.

Director of Immigration for Wisconsin.

This letter is by no means of negligible significance to the settler, as may be seen from the fact that one Chicago agency refuses to sell land to men bringing the letter from Mr. Packer, being afraid of possible consequences. Another doorway into Wisconsin is through Minneapolis and St. Paul, and at these points an attempt is made to reach the immigrant into Wisconsin. Many are also reached through letters directed to the Director of Im-

migration, at Madison. In various ways Mr. Packer gets hold of a considerable proportion of the immigrants into Wisconsin and warns them as well as he is able against the purchase of worthless lands, and, so far as he may, against land sharks. His idea is not to get a man into Wisconsin, but, to use his words, to get a man into Wisconsin who "will stick." Some have been inclined to criticise him for turning men away, but the results justify his methods. The writer recently made a tour of investigation with Mr. Packer to visit those whom he had placed on the land. He found one of these settlers who had brought into the state nine others, and another settler who had brought into the state five others.

The purpose in speaking of Mr. Packer's work is to indicate very briefly one line of activity followed by those who are pursuing modern methods of land settlement. It is hoped later on to describe more fully Mr. Packer's work and to give statistical details. It can be seen, then, that a public interest is at stake in the wise selection of land, and that the humble settler needs assistance.

The land business has been proverbially a business on a low ethical plane. It is being put on a higher plane, and there are many conscientious real estate men who are rendering a social service of a high order in the work; yet there are many dishonest ones still active, and it is necessary that all right-minded people use every effort to put the business of selling land and of colonization on as high a plane as the best mercantile business, which finds a profit in protecting the consumer. Various associations of real estate dealers are engaged in praiseworthy efforts to expose dishonest practices and to encourage a right professional spirit. The writer has recently made addresses before gatherings of real estate men in Chicago, Milwaukee, and Minneapolis, and has taken for his subject "The real estate business as a profession." Everywhere he has been gratified by the response to his appeals for higher standards. This promises much for the future, because the real estate man must always play a large rôle in the settlement of the land; and, if he is competent and right-minded, he can perform services of a very high order.

In addition to private associated efforts, it is necessary to have public activity. The honest dealers must separate themselves from the dishonest ones and encourage every effort to infuse into the real estate business a true professional spirit.

Mention has already been made of the large amount of capital needed for successful colonization according to modern methods. Those who start colonization schemes with inadequate capital come to ruin, and in their ruin they drag down humble settlers and wreck lives. What shall be the remedy here? We prescribe conditions under which corporations may be formed and attempt with ever increasing degree to supervise the activity of the corporations. It could be made a condition in incorporating land companies that their plans should be submitted to some public authority, and that they should not be allowed to engage in business until these plans had been approved.

Another suggestion now frequently heard is to be cordially commended, namely, that real estate dealers should be licensed, and that higher and higher standards should be required as a condition of receiving and retaining a license to do real estate business. This is one of the first steps taken when an occupation begins to become a profession.

Let us suppose then that we have honesty, capacity, and adequate capital engaged in private colonization. Have we then all of the conditions necessary for the establishment of a harmonious system of land settlement? Let us look at the matter of what is called the closer settlement of the land from the point of view of the public interest and offer just a few suggestions.

One obstacle to the satisfactory settlement of northern Wisconsin is that the areas of cultivated farms are sometimes separated widely. There may be a group of farms in a settlement and the next settlement may be miles away. Also there are isolated farms far removed from one another. This scattering is a great disadvantage to all the interests concerned.

The seller of lands who wants to do the right thing by the settler, and who also has the interests of society at heart, finds that he is hampered and hindered by the fact that the settlements are not close and compact. He cannot make the improvements which would otherwise be possible. If, on the other hand, the individual or company owning the land has a great tract of land without interspersed holdings, systematic plans can be made involving large expenditures, while at the same time the overhead expenses connected with sound colonization need not be excessively large for each family. If there are others who own land here and there in the midst of a project owned by one person, there is lack of harmony of interests, and those who own these scattered

districts may do nothing or may even obstruct the general plans and at the same time make a profit from the activity of energetic, forceful, and capable owners and planners of settlements.

The state, county, and town have an interest at stake where the farms are scattered. All public improvements in such cases involve excessive costs if these improvements are to be satisfactory. This applies to roads, telephones, schools, and so forth. Society loses because the individuals composing it are not so prosperous as they could be. Educational facilities and other advantages of organized society are less than they would be if there were closer settlement.

The great watchword in New Zealand is "The land for closer settlement." This was the idea of the man who as much as any one else was the founder of New Zealand settlement, Edward Gibbon Wakefield. His idea was that settlement to be really successful should be close settlement. Economic success depends, he said truly, upon combinable labor, land, and capital; and on this account he advocated the "sufficient price" for new lands, as already described.

It has not been possible to carry out exactly Wakefield's ideas, although in general in recent years they seem to have made an increasingly favorable impression. The idea of closer settlement has persisted, however, and this has been one of the animating motives of the New Zealand government in the purchase of large tracts of land and the sale of the same to settlers.

Another suggestion in regard to closer land settlement comes from the experience of Ireland, Bavaria, and Russia, as well as from England. Agriculture has in these countries long been obstructed by scattered holdings or "intermingled holdings," as they are called. The farm owner in these countries frequently has his farm in many small and widely scattered strips. The exchange of these scattered holdings so as to bring them together into a single piece of land, if possible, or into the smallest possible number of pieces of land, where a single consolidated farm is impossible, has been one of the great features of land reform in all these countries. Is not the public interest in consolidating the land ownership, so that the settlement may be with us also closer settlement, sufficiently great to warrant the state in doing whatever may be practicable to bring about closer settlement, even if this involves public purchase and sale of land or possibly in some cases the compulsory exchange of lands? This may not be con-

stitutional at the present time, but constitutional changes are possible and desirable where there is a great public interest at stake.

Another obstacle to successful private colonization is found in the existence of sub-marginal lands; that is to say, lands which when cultivated will not give normal returns to labor and capital and which will still less yield a surplus in the form of rent. These are found probably in every state of the Union, and in a few states a large proportion of the land is sub-marginal. It has been estimated that something like one third of the land in northern Wisconsin is sub-marginal, although the remaining two thirds is productive and very much of it highly so. The sub-marginal land is privately owned, very largely, and affords a temptation to the owner to exploit the unsuspecting settler. California and the fruit sections of the country generally give us conspicuous illustration of fraud connected with sub-marginal land. Every traveller in California who is at all familiar with conditions knows that orchards are planted for two purposes, one for fruit and the other for sale to the "tenderfoot." What are we going to do with sub-marginal land? No complete solution of the problem of sub-marginal land will be attempted here and now, but in a general way it may be said that the aim should be to bring it into public ownership and make the best possible use of it. Without entering into all the complexities of the idea of marginal land, it may be remarked that land sub-marginal for private use may be super-marginal for public use. By condemnation it could be secured at its real value. Frequently the land which is sub-marginal for agriculture may have a value for forestry.

Now let us come at once to the heart of the question, so far as public regulation of the land is concerned. We must regard land as a public utility, and of all public utilities must we not, indeed, look upon it as the chief, as being the foundation of all life? In early days, when land existed in superabundance, there was less reason for considering it a public utility than at the present time when the pressure of population upon the land is being felt in all parts of the world and when the paramount question is that of furnishing food to the forces struggling in war for the maintenance of liberty and civilization. The world over, laissez faire with respect to land ownership has broken down. We do not have it in Wisconsin or in any part of the United States.

Our states and federal government give constant encouragement to farming and make large and generous expenditures to promote agriculture. All that we are urging is a logical extension of that which already exists.

What we need are land commissions or land settlement divisions of our departments of agriculture to exercise not precisely the same functions which our railway and public utility commissions exercise with respect to railways and public utilities, but analogous functions. Price regulation of land is not something which is to be advocated for the present, if at all. It may be found that if the other things needed are done, the price of land will take care of itself.

There are excellent men among the dealers in land, and these ought to join in any movement which would separate the sheep from the goats. They have everything to gain and nothing to lose by measures which protect the settler and bring about the right kind of settlement. Proper supervision would give confidence to the intending settler and would do more than anything else could do to bring to any state with a land commission of the desired functions a good class of settlers and an excellent development.

Having land commissions, the various needed activities of the state and federal government could be centered in such commissions. Here again needed activities to make successful the settlement of the land simply mean an expansion of what is being done at the present time. Perhaps it would be logical for the state to regard itself as a trustee for the people, so far as the land is concerned. There is certain to be an increase in public ownership of the land. The experience of Ulm in Germany is here suggestive. The city as such owns a large proportion of the land in Ulm and is engaged in buying and selling land. More and more the state and various political units become purchasers of land and improvers of land. It is not unreasonable to anticipate a time when the buying and selling of land, in order to bring about desirable land settlement, will become one of the great functions of the modern state.

The development of agricultural education is one of the most remarkable features of the educational history of the last fifty years. It would take a long paper to tell all the things that are being done to promote theoretical and practical agricultural education. We have gone so far that in many parts of the country every county has its agricultural adviser, while agricultural insti-

tutes reach hundreds of thousands. We need to work further along existing lines and to give attention in our agricultural education to the agricultural ladder. We have neglected unduly the proper organization of agriculture and have not attempted systematically to provide a suitable labor supply. Recently we have undertaken to provide a more adequate supply of capital, but we still lack a proper proportion of labor, in order to get the right combination of the requisites of production.

As a part of the general plans for colonization, it is suggested that the educational features of farm life should be developed. Farms where labor and living conditions are right and where there is good farming should be certified. Moreover, there should be an agency having an interest in the boys and girls who may desire to go on these farms and work for wages.

It is instructive to learn what Miss Gildersleeve, dean of Barnard College, has done in connection with farm work by girls along the Hudson River, north of New York. The girls were organized; they lived by themselves in tents and did work for the farmers, picking fruit, and so forth. That the conditions of work were satisfactory was seen to by those having the girls in charge. It is said that at first the farmers were inclined to poke fun at the idea of getting work worth while from these girls, but they soon learned to value them, and the demand for their work was greater than the supply. Another feature of this plan to be noticed is that it did not involve additional work for the farmers' wives in caring for the hired help, as the girls had their own cook and boarded themselves.

Many years ago, coming back from England, the writer found on board the steamer a large number of English boys and young men, intelligent, strong, altogether a very pleasing company. They were coming to America to learn farming and were in charge of an older man. It seemed that they paid a considerable sum for this opportunity. Apparently the man having them in charge brought them to America and turned them over to American farmers. It is doubtful if they received much real supervision. Doubtless some of them were fortunate enough to secure good homes, where they had excellent opportunities to learn what was best in American farming. Probably others were simply exploited.

There is no doubt that in different parts of the world and especially in many places in America there are thousands, possibly even hundreds of thousands, of boys who would be glad to go on

farms and whose parents would be glad to have them do so, provided they could know two things: first, that the conditions of life in the farmer's family were wholesome; and, second, that they would have an opportunity to learn good farming methods.

The universities now certify farms for those taking the long course; that is, the full course of four years. Why should not the universities and the departments of agriculture organize and extend the work of certification and supervision? They could thus attract a large number of very intelligent young men, many of them with a considerable amount of capital. While the writer has principally young men in mind, there are doubtless some young women also who would be glad of such an arrangement.

Before closing this paper the writer would like to add another suggestion. One of his former students, the late Dr. E. R. L. Gould, organized the City and Suburban Homes Company, which has done, and is doing a great work in New York City, Dr. Gould having been succeeded in the presidency by Allan Robinson. Its aim is to furnish the best possible dwellings, particularly tenements in New York City, compatible with a very modest return to capital, say 5 per cent. The company has a capital of six or seven millions of dollars. While the return to the capitalist is not large, it is a very safe return and is not altogether unsatisfactory as an investment. Probably those who put their money into this company have since it was organized received as large a return as have purchasers of high-grade bonds, and their investment has been equally safe. Now what is here suggested is the organization of companies to begin where the City and Suburban Homes Company leaves off. Such companies could be called Suburban and Country Homes Companies, or, if they should confine their activities to farms, Farm Homes Companies. The idea is that they should limit profits to a maximum of 6 per cent, no more than necessary to secure the requisite capital. Obviously a higher return than in the case of dealers in New York real estate is required, because there would be perhaps a little bit greater risk and because the return on capital outside the great cities is somewhat larger. Such a company should do the best possible for the land purchaser that is compatible with the modest return to capital invested. The business of the company should be put upon the same plane with that of the highest mercantile practice. The best advice should be given to the would-be purchaser of land, the result of which would often be advice against land pur-

chase. Such a company should have well selected lands of its own, but should likewise give advice with respect to other lands. The trustees or directors of the company should be men of such high standing as to command the confidence of the community. Those actively engaged in the work of the company should receive reasonable salaries, and that means salaries which would attract capable men. Such companies should act in conjunction with our universities, especially with the agricultural colleges and the department of economics. In many cases they might put pieces of land into the hands of universities for platting, as demonstration farms are now put in the hands of agricultural colleges for technical agricultural demonstration.

Perhaps a portion of the profits of land companies, as here advocated, should be devoted to purposes of scientific investigation of land problems. Money is given by the hundreds of thousands to conduct agitation, but very little is available for scientific investigation of landed property. It is appropriate that landowners should contribute funds, on the one hand, for the establishment of companies of the kind mentioned, and, on the other hand, for investigational work. It is appropriate that landowners should defray the expenses of an examination of the institution of landed property by which they profit and from which they believe society as well derives an advantage. This means a voluntary recognition of the obligations and duties which accompany rights in general.

One argument for landed property is that the landowner has a stake in the community, and that landowners have a special social mission as the most solid, substantial element in society, and that they should appreciate land ownership as high and honorable. It is in harmony with this thought to make an investigation which shall be impartial and fearless. If land is a bulwark of the social order, it is not merely a selfish undertaking to make fully known the reasons why it is so. Surely all thoughtful people who know what is going on in the world must feel the urgent and immediate importance of the subject of landed property. Surely it is high time for the private landowner to arouse himself in regard to the world-wide situation. In Mexico proposals of confiscation of land have received serious consideration, and many a landowner there is at the present time in an unenviable position. While strong arguments can be advanced against the position, there are those who nevertheless hold that the land question is

at the bottom of the disturbance in Mexico. Certainly any solution of the Mexican problem will involve some treatment of the land. And we all know how serious is the situation in Russia. The land problem is one of the main problems connected with the revolution in that unhappy country, and proposals of confiscation are there rife and have been endorsed by those who officially dominate the government at Petrograd.

Another urgent reason for action is connected with the settlement of soldiers and sailors on the land. This question of the settlement of the soldiers and sailors on the land has already been considered by our Allies in the great war now going on. It is regarded as one of the urgent questions in England, Australia, and New Zealand. Investigations have been conducted in England for some years; New Zealand has land legislation; and important proposals in regard to the settlement of the land by returned soldiers and sailors have been made both in Canada and Australia. Every great war we have had in the United States has left its mark on land legislation, and it is very certain that the present war will not be an exception. Men are dislocated by war, and in casting about for means of gaining a livelihood many of them naturally turn to the land. Inquiries among Australian soldiers during the present war have revealed the fact that 40,000 have expressed a desire to get on the land. We should begin immediately making investigations in order that we may be prepared when our boys come back to place them on the land so far as they desire, and under the best conditions for them and for the country.

No one can be better aware than the writer that in this paper he has simply opened up great questions, and that the data presented are few. It is important that the work of gathering data should be carried forward and extended to all parts of the country. In the present paper data typical of the best colonization schemes, or, at any rate, the better colonization schemes have been given. A beginning has been made of the study of failures and their causes. Where settlers are placed on good land under right conditions, failures are few. Where they are placed on poor land and under wrong conditions failures become the rule rather than the exception. For very obvious reasons, it is more difficult to study failures than successes, but the beginning which has been made will be continued and later the results will be presented.

One statement in this article is likely to be challenged, namely,

the assertion that there are as good opportunities to acquire farms in the United States as there were in the days of free land; and the writer hopes later to present details, comparing the opportunities now with opportunities in the past to acquire land, and to substantiate his statement. Perhaps one single statistical comparison may be at least suggestive. The father of one of the writer's colleagues has sold hogs in Iowa in the seventies for \$2.25 a hundred. This colleague, however, has recently sold hogs at over \$16.25 a hundred. The present writer and probably his colleague also would much prefer chances of acquiring a farm in northern Wisconsin, or for that matter in many other parts of the United States with present high prices, than to take the old conditions which existed in Iowa with prices not the very lowest, but prices which prevailed during a period of several years in length; and in each case starting out without a dollar and having to earn by labor the money to make a start. But the conditions of successful settlement are different and social agencies must now play a far greater rôle to secure the best attainable results.

Now that the question of landed property is becoming one of the greatest questions of the day, if not the very greatest, it is of the highest importance that studies concerning the private settlement of the land should be made in every part of the United States, and that these should be exhaustive. Otherwise, there is danger that rash and mistaken steps may be taken which will produce bad consequences. Perhaps it may not then be improper to call attention to the fact that this situation has been fully recognized by the new American Association for Agricultural Legislation, and that a committee has been appointed on land settlement, of which the present writer is chairman. Studies of the settlement of the land are already being made under the auspices of this committee and by others working independently. Kansas, Arkansas, Washington, Ohio, and Wisconsin may be mentioned among the states where to the knowledge of the present writer investigations have already been begun. There is every indication that in the near future such investigations will be under way in nearly every state of the Union.

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